

**Prepared Remarks of Chairman Julius Genachowski
Federal Communications Commission**

Rainbow PUSH Coalition Telecommunications Symposium

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We're gathering at a critical time. The economy is struggling. People are hurting.

The number of Americans living in poverty is the highest in recorded history. More than half of U.S. households have someone who's been unemployed during the past year. The income gap between America's highest and lowest earners is the largest on record.

Today's forum shines the light on an essential component of any strategy to get us moving in the right direction: technology – and specifically high-speed Internet, what we're all increasingly accustomed to calling broadband.

Broadband is indispensable infrastructure for our 21st century economy.

It is a platform for economic growth and job creation – creating opportunities and opening markets that allow businesses to start, grow, and hire.

It also enables solutions to national challenges like health care, energy, and education.

Indeed, broadband can be the great equalizer – giving every American with an Internet connection access to a world of new opportunities that might previously have been beyond their reach.

Of course, the fact that we're here today is evidence that we've got work to do if we hope to seize the opportunities of broadband.

A recent survey by Pew shed some valuable light on the challenges and opportunities before us.

The top headline was that about two-thirds of Americans subscribe to broadband -- meaning fully one-third do not. Translated, that means that almost 100 million Americans do not have broadband at home.

If we want the United States to be the world's leading market for the innovative new products and services that drive economic growth and job creation, we need all Americans to be online.

If we want all Americans to have the access to the opportunities broadband provides, we need all Americans to be online.

We have a long way to go.

One of the encouraging findings of the survey was that the adoption rate among African-Americans jumped 22 percent. But even with that increase, only 56 percent of African-Americans had broadband in the home. Other groups find themselves on the wrong side of the digital divide. Less than half of Hispanics, low-income Americans, and rural Americans have adopted broadband.

The digital divide is seriously troubling; more troubling now than in the past, because the costs of digital exclusion are rising. Closing this divide is one of the most important civil rights issues of our time.

The survey identified not only the scope of the broadband adoption challenges, but some of the factors behind it.

Pew asked people whether or not they thought promoting broadband access should be a government priority.

Somewhat surprisingly, non-Internet users -- the people who would benefit the most -- want government action the least.

Only 5 percent of people who aren't online think universal broadband should be a top priority for our country. Similarly, the lower your income, the less likely you are to think government should be taking action; same for your level of formal education.

According to Pew, the main reason people aren't adopting is that they don't think the Internet is relevant to their lives.

They perceive Internet access as a luxury, instead of what it is: a necessity for full participation in the 21st century economy and society.

It's important that we dispel these misperceptions, given how broadband is so essential to opportunity in the digital age.

Broadband is essential to economic opportunity. Job listings are moving exclusively online. Increasingly, if you're not connected you can't find a job.

Consider small businesses. If a business doesn't take advantage of the Internet's capacity to reach more customers and improve efficiency, it can't compete with those who do.

As I heard from Warren Brown, an African-American entrepreneur who founded the popular Cakelove chain of bakeries, which even in this economy has grown its business and created jobs, "I need to go where my customers are: online and on their smartphones."

Broadband is essential to educational opportunity. More and more, students need to go online to complete their homework assignments and parents rely on email to communicate with teachers.

Broadband is essential to health care opportunities. Broadband enables potentially life-saving monitoring technologies for people with diabetes or heart disease, but you need a high-speed connection to take advantage.

That's why, as part of the Recovery Act, Congress and the President directed the FCC to develop a National Broadband Plan.

We released the Plan in March, and it lays out an ambitious strategy to promote private investment and build a world-class broadband infrastructure that unleashes innovation and brings the benefits of high-speed Internet to all Americans.

What's in it?

We've been talking about universal service, so let's start with the Universal Service Fund.

USF is an \$8 billion per year program that, in the 20th century, successfully brought phone service to millions of Americans.

But it is outdated and inefficient – not what we need for the 21st century. It doesn't even directly support broadband.

We need to fix this broken system and ensure that it provides universal broadband through cost-effective, accountable policies focused on delivering resources where there is real need and opportunity.

We also want to spur deployment by removing barriers to private investment in our broadband networks.

We are moving on this—for example, by cutting red tape to increase the speed of tower siting, and easing access to pole attachments, establishing low, uniform rental rates.

Of course, when we talk about broadband, we're increasingly talking about wireless. In fact, mobile devices are now the primary pathway to the Internet for minority Americans.

Our mobile networks rely on spectrum – what we can call our invisible infrastructure.

Spectrum is finite, and with the explosion in demand for mobile, we're heading toward a wall that could cost America its lead in mobile innovation. We're tripling the amount of spectrum coming online for mobile data, but traffic is projected to increase 35x over the next 5 years. This looming spectrum crunch could cost us jobs and economic growth, and could leave frustrated consumers with the choice of lousy service or sky-high prices.

The National Broadband Plan calls for the reallocation of 500 Megahertz of spectrum, so that we have a mobile infrastructure that leads the world in speed, service, and innovation.

We're on track to repurpose 110 megahertz of wireless communication service – WCS – and mobile satellite service spectrum.

And we've proposed a big idea: incentive auctions, which would incentivize reallocation of spectrum to more efficient uses, giving broadcasters, for example, the choice to contribute their licensed spectrum to the auction and participate in the upside.

In addition to bipartisan support for incentive auctions in Congress, the President has endorsed this proposal and launched the administration's Wireless Broadband Initiative to free up spectrum and drive U.S. global leadership in mobile.

Those proposals will help drive broadband deployment. Now how do we increase broadband adoption?

In addition to relevance, which I mentioned earlier, a significant barrier to broadband adoption in many minority communities is cost.

Our Lifeline and Linkup programs have done a good job of helping low-income Americans afford communications services. We need to transform these programs to apply to broadband.

Another barrier to adoption is digital literacy. The Plan proposes establishing a Digital Literacy Corps to make sure all Americans have the skills they need to be active participants in 21st century society.

Another, less obvious but powerful means for promoting digital literacy is eGovernment. Millions of Americans interact regularly with government agencies, including a high percentage of people who don't subscribe to broadband.

EGovernment provides opportunities every day to bring more Americans online, while providing better services at less cost.

We want to promote broadband adoption and utilization not just by individuals, but by small businesses.

The FCC is working with the Small Business Administration to create public/private partnerships to improve broadband education and training for small and diverse businesses.

And entrepreneurs shouldn't have to ask permission to innovate online. Small businesses as well as consumers should have access to all lawful Internet content and services.

We're committed to preserving Internet freedom and openness so small business owners and consumers have the freedom to connect and communicate online; to build and expand businesses, and create jobs.

To help small businesses, the FCC has also made it a priority to revitalize our Office of Communications Business Opportunities.

First, we brought in a new head of OCBO, Tom Reed, who has brought real energy and focus to OCBO.

The Office has held “speed dating” sessions to bring together entrepreneurs and capital. And it’s currently working to make available the best intelligence on capital-access strategies for new businesses at a one-stop shop on the Web.

OCBO is also working on another networking initiative to connect small businesses with larger communications companies to facilitate business opportunities.

As our nation works its way out of this historic economic downturn people are looking for solutions that will help turn things around.

Few things have greater potential to open new opportunities for economic growth, job creation, education and health care than driving world-leading broadband deployment and adoption.

I look forward to working with you to seize the opportunities of broadband and bring the benefits of broadband to all Americans.

Thank you.